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Greetings from the Director

Greetings once again. As some of you know, I served in this capacity from 1987-1993. I'm pleased to again be here and look forward to meeting and working with the staffs and volunteers of credit unions. While the number of credit unions has declined, the operations and issues continue to be increasingly complex.

We are committed to the healthy condition of Missouri state-chartered credit unions and will remain responsive to the changes in the economy and environment. I believe we have a good team of examiners and encourage you to call on us anytime with questions or comments.

Low Income Designation

Ten Missouri state-chartered credit unions are currently designated as low-income credit unions by the NCUA. Low income designation can be granted to credit unions whose membership is predominantly made up of "low-income" members. Essentially, credit unions qualify if their membership is made up of a majority of members who reside in zip codes where income falls at or below 80 percent of the median household income for the nation as established by the Census Bureau (threshold is now \$33,595); or who make less than 80 percent of the average for all wage earners as established by the Bureau of Labor Statistics (the current threshold is \$21,389).

Missouri chartered low-income designated credit unions can expand their field of membership to designated low-income or underserved areas without declaring the type of credit union (community or other). Also, low-income designated credit unions are eligible to participate in the Community Development Revolving Loan Program (CDRLP). The CDRLP may approve loans/deposits to a low-income designated credit unions in an aggregate maximum of \$300,000. Low-income designated credit unions are also eligible for technical assistance grants to improve member services and increase the efficiency of credit union operations.

Credit unions seeking low-income designation should contact Ken Bonnot in the Jefferson City office by phone (573-751-3419) or e-mail (ken.bonnot@ded.mo.gov) for assistance. Although the low-income designation program is administered by NCUA, we will quickly be able to walk you through the steps needed to apply and to give an estimate as to your credit union's eligibility.

We encourage Missouri state-chartered credit unions to apply for low-income designation and utilize the benefits and programs the designation allows. In our research, we have found that there are likely many credit unions in Missouri that qualify.

Field of Membership Decisions

For an update on the status of appealed field of membership decisions, please submit the request in writing or by telephone to our office, or you may visit our website at www.cu.ded.mo.gov and click the link for "Field of Membership Appeals."

Bank Secrecy Act

The provisions associated with compliance with the Bank Secrecy Act (BSA) continue to be a hot topic in the credit union and banking industry. We have fielded many calls regarding the Division's future examination procedures in regards to BSA. Please refer to our Bulletin 2005-CU-02, sent with this newsletter for further guidance.

Access to Free Credit Reports

Starting on March 1, 2005 those who live in Missouri, can obtain a free copy of their credit report. A recent amendment to the federal Fair Credit Reporting Act (FCRA) requires each of the nationwide consumer reporting companies to provide a free copy of the credit report, at their request, once every twelve months, from www.annualcreditreport.com. Credit unions are encouraged to publicize in their newsletters and on their web sites how to obtain the free credit bureau reports, the use of the information in the reports and how to correct errors they may contain.

Overdraft Protection Guidance

On June 1, 2005, our office sent each credit union a copy of Bulletin 2005-CU-01 which covered Overdraft Protection (also know as Bounce Protection) Programs. In conjunction with recent guidance issued by federal regulatory agencies, the Division has clarified our position on these programs. The bulletin may be found at the following link:

<http://www.ded.mo.gov/creditunion/pdfs/bulletinno2005cu01.pdf>

Staff Announcements

We are pleased to announce the hiring of two new examiners in the Jefferson City office. Effective April 1, 2005, Lesli Belt has joined our Division. Also, Tom Chapman has been hired effective June 6, 2005. After these announcements our current staff is as follows:

Sandy Branson, Director
Ken Bonnot, Deputy Director
Kevin Weaver, Chief Examiner

Examination staff:

Janice Robinson Todd Willoughby: Kansas City area
Rob Berry, Lisa Henningsen, Erik Hemmann, Brad Schone: St. Louis area
Whitney Aston, Lesli Belt, Tom Chapman: Jefferson City office

Office support staff:

Debbie Davis, Betsy Huhn

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Sandy Branson, Director

We're on the web!

www.ded.mo.gov/creditunion

Our **vision** is to foster an environment which ensures the availability of high quality financial products and services while preserving the integrity and safety of the credit union industry.

The Division of Credit Unions' **mission** is to effectively and efficiently supervise Missouri state chartered credit unions, to ensure compliance with applicable laws and safe and sound operations while remaining responsive to the changes in the economic, technological and political climates which may impact credit unions.

The mission will be accomplished by the following actions:

- Stimulate and contribute to an environment which allows credit unions to evolve and remain competitive;
- Ensure compliance with applicable laws which provide for fair and equitable treatment of all consumers;
- Encourage outstanding performance by division staff members by providing up to date equipment, training and education enhancement opportunities;
- Communicate to our customers our desire and willingness to offer a quality product;
- Develop an internal culture of quality which measures and promotes customer satisfaction;
- Encourage the education and fostering of financial awareness and responsibility among the members of Missouri credit unions.